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REVIEW

*1st Annual Report*



MARCH 1970



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## Summary

- The greatest potential for expanding the states role in Agriculture programs is in the regulatory, inspection and grading programs. Working with state and industry representatives, an agreed upon set of criteria and an action plan for decentralizing more of these programs to the states has been promulgated with responsibilities assigned for achieving prompt results.
- A standard research agreement to be used for all grants, contracts and agreements with universities has been promulgated achieving Department-wide uniformity in the fiscal and administrative requirements of these arrangements with universities.
- Duplication between financial, administrative and fiscal audits of grantees by Department agencies has been eliminated.
- Arrangements were made to conform the boundaries of the Food and Nutrition Service to those of the Federal Regional Councils.
- A change proposed for the boundaries of the Pesticides Regulation Division of the Agricultural Research Service has been approved to conform boundaries of 4 regions (formerly 5) to those of the Federal Regional Councils.
- The Department analyzed processes for delivery of services in 67 programs and improved procedures in 25, reduced processing time in 12 and increased delegations of authority in 10.
- Some 10,000 farmers needing emergency financial assistance to repair land conservation structures damaged by floods or other natural disaster, benefited by improved processing of their requests which reduced the time required from 42 to 14 days.
- Instead of waiting for the one attorney heretofore authorized to clear title loans, borrowers can now be served by several in each county as a result of a change in procedures.
- Loans for rural housing can now be obtained in half the time heretofore required as a result of delegating increased loan approval authority to field officials. Loan forms have been simplified and reduced from three to one.
- Authority to approve forestry grants may now be made in the field reducing processing time by 16 days or 8 per cent.



- Field managers were asked what restrictions on their authority to act ought to be removed so that they could improve services - out of 86 reported, 39 were removed (and more will be)-some misunderstandings were cleared up in the process.
- Farmers and land owners now get approval of their engineering plans for watershed projects three weeks faster because Soil Conservation Service State Offices have been delegated authority to approve some 250 plans yearly.
- Cotton producers marketing time and costs have been reduced by a change in procedures enabling them to use agents to handle marketing and federal loan matters for them. Heretofore, cotton under loan could not be assigned to a marketing agent for pooling and sale in the manner customary in business with the result that much cotton remained in government hands.
- The managing and leasing of rental housing has been turned over to private realtors by the Farmers Home Administration so that prospective tenants can now get prompt service in the manner customary in the realty business.
- Arrangements for increased use of state laboratories and state personnel in connection with programs of the Agricultural Research Service are underway which will eliminate duplication of facilities and personnel.
- A test program of merging state and federal personnel into one system for inspection of meat and poultry in Wisconsin is well underway. This will eliminate duplicate facilities and supervisory staff and enable the best travel and logistics arrangements to deliver inspection services.
- Use of computers for storing and processing data has reduced the time needed for engineering field work and as more data is developed in river basin studies, the need for most field work will be eliminated - this reduces time needed for clearing planning projects by 20 days.
- The federal and state extension services are cooperating in development of a joint computer system for storing and retrieving management data which will speed service to the public at the school and community level for all types of data.
- The Statistical Reporting Service and the states are cooperating in developing a system of computer centers which will enable all agriculture statistical data, whether state or federal, to be immediately available to either party for making economic surveys and other purposes.



The Farmers Home Administration is speeding the processing of loan payment records for borrowers through a new computer system for documents formerly hand posted and processed.

The Rural Electrification Administration is helping electric borrowers to establish their own rural electric financing system to provide necessary supplemental needs that cannot be met by the agency.

Any field organizational structure that has been in existence very long needs review in terms of adapting to rapid transportation and communication networks and meeting changing demands for program services. The Forest Service is reviewing its field organizational structure to determine the optimum size of field units and has reduced the number of ranger districts from 822 to 722 with national forests and regions now to be studied.



## Background

On March 27, 1969, the President announced a series of steps being taken to streamline the structure and processes of Federal agencies in the field. The first of these steps was the establishment of a common pattern of regional boundaries and headquarters for certain Federal agencies. Other Federal agencies (including Agriculture) were asked to consider these common boundaries in any changes in their field organization structures so as to be consistent with the ultimate goal: uniform boundaries and field office locations for all social or economic programs requiring interagency or inter-governmental coordination.

The President further directed the Federal agencies on the Urban Affairs Council and the Bureau of the Budget to work together to modernize the management of our complex Federal system of assistance to states and communities. In response, an intensive coordinated interagency effort (the Federal Assistance Review (FAR)) was launched to achieve the President's basic objectives:

1. Create a new sense of partnership among the various levels of government, with greater dependence on state and local governments.
2. Streamline and simplify the processes and organizational structures for managing Federal programs not only for efficiency and economy but to speed delivery of resources and services.
3. Decentralize the Federal agencies to stimulate greater interagency coordination in the field and greater collaboration between Federal agencies and state and local governments.

The Secretary of Agriculture initiated this Department's part in the FAR program by Memorandum No. 1653 dated May 6, 1969. Responsibility for guidance of the Department's efforts was assigned to the Assistant Secretary for Administration with each agency assigned the responsibility for undertaking actions to achieve the objectives set by the President.

In developing the Department's FAR program, it was immediately apparent that all of its domestic programs could contribute in some degree to the FAR objectives. An appreciation of the scope of this contribution may be had by considering that 19 Department agencies, in cooperation with state and local governments, educational institutions, and with industry, farm, trade and professional associations, provide a wide variety of services to the public. Services are provided through a highly decentralized organizational structure



comprising 84 separate field structures with over 21,000 field offices.

Services are provided through some 100 programs with an annual outlay of \$2.5 billion. These programs include loans, grants, cost sharing arrangements and direct assistance to individuals. There are in effect over 2,000 agreements with states involving 52 different Department programs. Educational institutions perform research in cooperation with the Department under 3,500 formal and informal agreements. The Department has a lead role in rural community development and is therefore keenly interested in improving the delivery of Federal program services to this community.

The Far program was established as a three-year program. The first year's efforts by this Department have been concentrated in those areas where there appeared to be the greatest potential for accomplishments in accordance with the President's objectives. While the time frame for action for some of these efforts extends into the second and third year, Department agencies have accomplished many worthwhile improvements. This report gives the details of activities and accomplishments during this first year ending March 2, 1970.



# Problems and Goals

The action plan for carrying out the Federal Assistance Review program in the Department of Agriculture, the problems associated therewith and the goals established are summarized below:

## 1. Regional Boundaries Review

The President's ultimate goal is to establish uniform boundaries and field office locations for all social or economic programs requiring interagency or intergovernmental coordination. Field organizational structures of Agriculture programs were reviewed to determine (1) factors on which current field structures are based, and (2) what adjustments would be reasonable to make to conform to Federal Regional Council Boundaries. A review was made of 84 separate field structures of which 32 involve regional structures. Decisions have been made as to what current adjustments are feasible. Adjustments will be made in 1970. However, because of the broad range and geographic dispersal of Agriculture programs a continuing review will be necessary to determine the best means for coordinating Agriculture field programs with those of the Department's designated as members of the Federal Regional Councils and with the several states.

## 2. Simplifying Grant, Loan and Agreement Procedures

The President directed that ". . . every step in each process should be examined with a view toward elimination if at all possible. Those which cannot be eliminated should be simplified in any way possible." Using flow charting and analysis procedures prescribed for Department-wide application, a review was made of 67 different Department programs. Substantial simplification of processes was achieved. These efforts will continue through the remainder of the FAR program.

## 3. Remove Administrative Constraints

This is a look at all administrative constraints such as those on travel, settling small claims, attendance at meetings, etc., to remove administrative impediments to field operations to the maximum feasible extent. Some 100 constraints have been identified and many have been removed. The identification of and removal of all unnecessary constraints will continue through the remainder of the FAR program.

## 4. Expand State Participation in USDA Programs

Agriculture has over 30 regulatory, inspection and grading programs. Among all agency programs, these have the greatest potential for expanding state participation in their operation. A review was accordingly undertaken of these programs with the objective of determining a reasonable balance in Federal and state handling of these functions with



emphasis on state participation. This review, to date, has enabled the establishment of agreed upon criteria by which state participation can be increased. During the next year program areas and states will be selected to test out the application of this criteria. This will then be the basis for expanding the state participation in these and other programs to which the criteria will be applicable. There will be problems involved such as whether individual states may be willing or able to undertake an expanded role in Agriculture programs. However, these matters will be handled within the Federal-State cooperative approach traditional with Department programs generally.

#### 5. Standard Research Agreements with States and Universities

Processes for negotiating and documenting agreements now vary simply because each arrangement came into being over a long period of time. A review team of specialists on contracts and agreements worked with the states and universities in developing reasonably standard procedures, forms and levels of approvals. This has resulted in the promulgation of a standard form for research agreements with universities. Agreements with states are involved in 52 different programs and under many different statutory authorities. The objectives of the agreement and cost sharing criteria vary widely. This diversity presents a problem in achieving standardization across all program areas. However, each program is now reviewing its administrative requirements. On completion thereof the problem of standardization will be better defined and a goal for standardization will then be set.

#### 6. Delegation of Authority

Each agency undertook to review its program authorities with the objective of assuring that authority is placed at the lowest level consistent with program requirements. This review was largely completed and additional delegations made by January 1970. There are further delegations to be made upon completion of several organization and methods studies expected to be finished in 1970.

#### 7. Strengthen Federal-State Cooperation

Most agency programs are carried out in cooperation with the states. An examination was made in two programs to determine how to enable the states to play a larger role. One of these is to enable the use of state laboratories and personnel in the Pesticides Regulations program. The other is the so-called "Wisconsin Plan" which will tend to eliminate Federal-State duplication in meat inspection and grading work. The problems involved here are primarily organizational and are being resolved. These two efforts should be tested during 1970 with refinement and extension of the concept to continue in subsequent years.



## 8. Using Computer Capabilities

The increasing capabilities of computers has made possible some dramatic improvements in agency program services to the public particularly in statistical services, market news services, and loan processing. Several reviews and actions are underway having as an objective the utilization of computers to streamline processes and speed up delivery of program services. There are many operational and technological problems involved in developing systems with which state and local government agencies and industry computer operations can be meshed. These involve obtaining understanding and agreement on requirements, priorities, operational methods, financing and the like.

## 9. Organization and Methods

The way in which programs are organized to deliver services and the methods used need periodic re-examination to assure that organization and methods are in tune with changing times in terms of the need for and means by which services are rendered. The Rural Electrification Administration must find ways to meet rapidly growing financing requirements of REA borrowers--some new methods have been developed and others are being explored. The Forest Service is conducting an exhaustive study to determine for their programs the optimum size of National Forest Service field organization unit--criteria for size of Ranger Districts have been developed and applied with the study continuing of Forest and Regional units.



# Activities and Accomplishments

To carry out the President's directive, an inventory was prepared which listed the program and administrative areas within the Department where the potential for improving delivery of federal assistance would be greatest. A steering group of agency officials was established to review the inventory and decide upon those areas wherein action should be undertaken. A Department official was designated to direct the overall Federal Assistance Review Program. An Action Plan was developed to carry on the work.

The Action Plan provides for focusing the Department's efforts in five principal areas:

1. Regional boundaries reviewed.
2. Grant, loan and agreement processes simplified.
3. Administrative and legal constraints removed.
4. State participation in USDA programs expanded.
5. Research agreement with universities standardized.

In addition to the Department-wide projects, agencies of the Department selected 21 different projects related to their programs and designed to implement the President's directive. They include both new projects and some undertaken prior to the initiation of the FAR program and now merged therein but only the past years accomplishments are reported. These projects fall into four principal areas:

1. Delegation of authority.
2. Strengthen Federal-state cooperation.
3. Using computer capability.
4. Organization and methods.

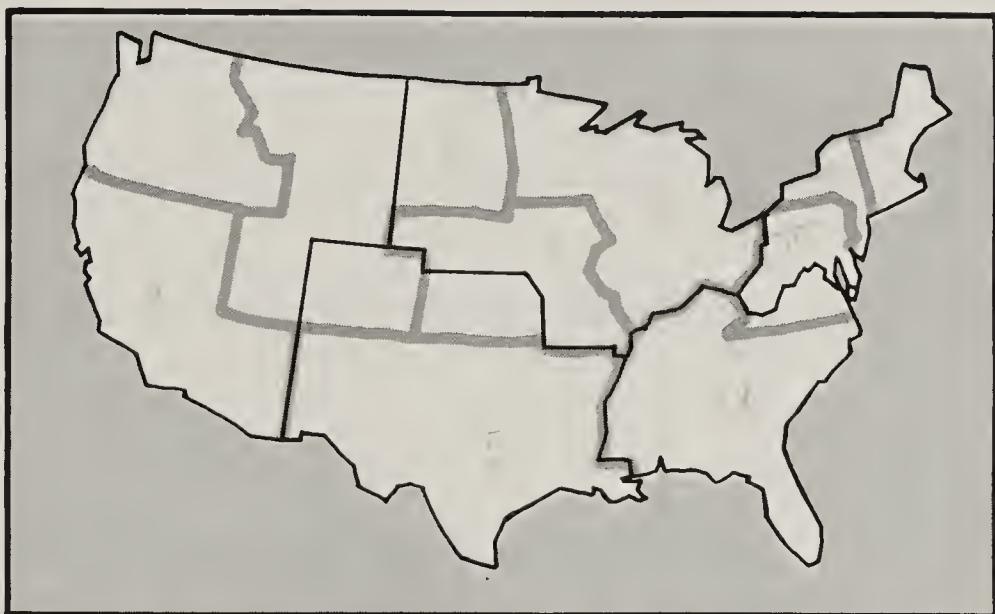
The following report summarizes the results of the first year of this effort.



# REGIONAL BOUNDARIES REVIEWED

## Existing Situation

Agriculture programs are carried out through 84 separate field structures. Of these, 32 include regional structures. This project is to determine what realignment of these structures would be feasible to achieve uniformity with Federal Regional Council boundaries; also, where structures include both regional and state, is there a need for both.



## Accomplishments

A report illustrating the field organizational structure of the Department of Agriculture shows its programs to be highly decentralized with over 93% of its 21,300 offices to be at state or lower organizational levels. A summary of field organizations is shown at Exhibit 1-A.

Now under review--with decision due during 1970--is a possible change in field structures of eight Department programs which could strengthen either regional or state offices, depending upon which would be most effective in working with state governments.

While most Agriculture programs have some relationship to those of the Departments which are members of the Federal Regional Councils, this relationship is largely indirect with the exception of the programs of the Food and Nutrition Service. Accordingly, it has been decided that the regional boundaries of F&NS shall conform with those of the Federal Regional Councils. Since this agency was established only in December 1969, (its programs were formerly handled in another agency) adjustment of the boundaries will begin later in 1970.

A change in regional boundaries of the Pesticides Regulation Division of the Agricultural Research Service has been approved which will conform the boundaries of the four regions (formerly five) of this program to those of the Federal Regional Councils.

These boundary changes will permit the Federal Regional Councils to each deal with only one F&NS or ARS Pesticides Regulation Division region even though the converse may not be possible. For example, one of these F&NS regions may include two or three Federal Regional Council Regions.

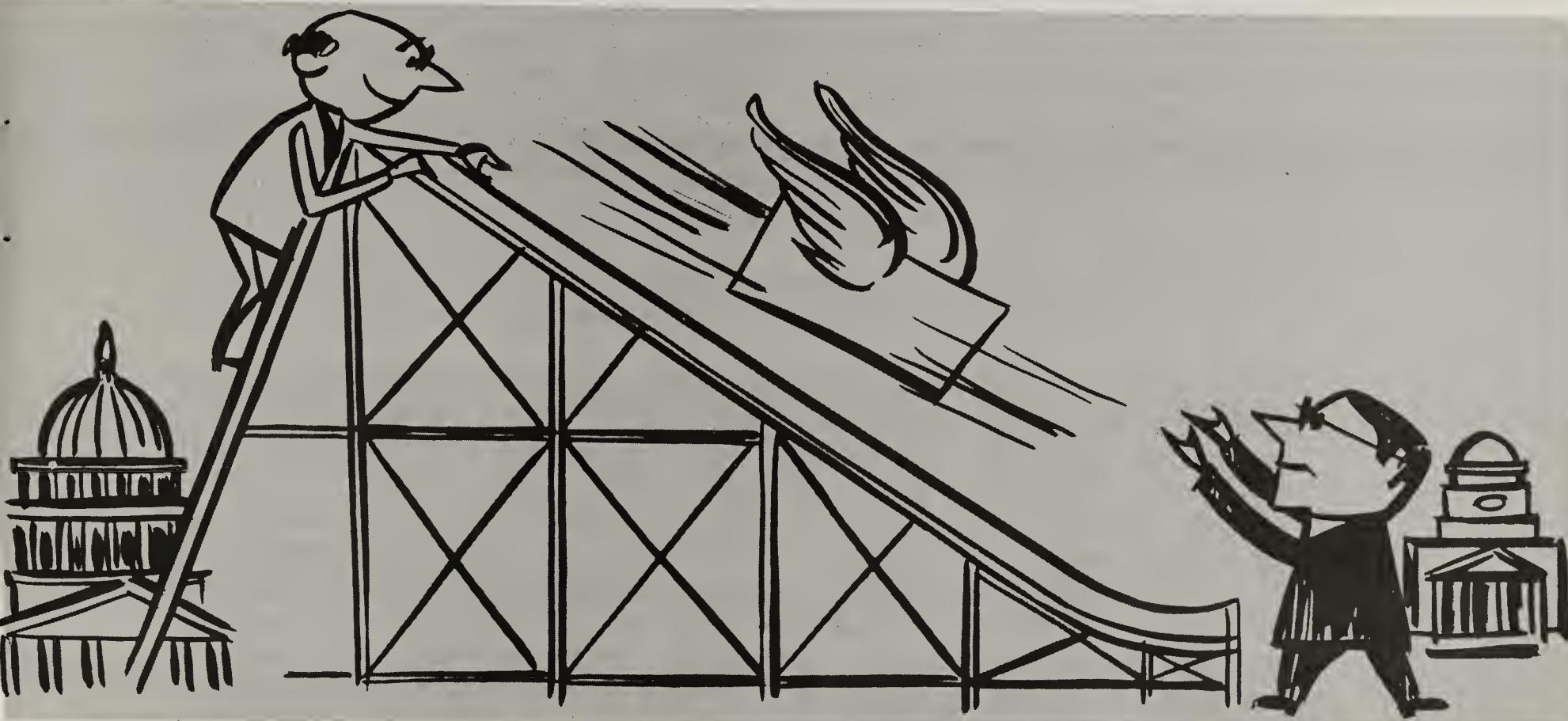


SUMMARY OF USDA FIELD ORGANIZATIONS

		Offices				Special			Field			Units			Totals			
		Field Structures	Regional	Sub-Regional	State	Local	Resident Stations	Stations	0	0	0	0	0	0	0	5		
<u>Departmental Headquarters</u>																		
DMP	1			5				0		0		0		0		5		
OGC	2			10				0		10		0		0		20		
OIG	1			7				0		17		0		0		24		
OMI	1			0				0		0		0		1		1		
<u>Agencies</u>																		
ARS	23			20				83		159		500		472		1,234		
ASCS	4			0				50		2,909		0		8		2,967		
CEA	1			5				0		0		0		0		5		
C&MS	32			91				187		166		5,750		55		6,249		
ERS	4			0				0		0		0		106		106		
EMS	1			0				0		0		0		1		1		
FHA	2			0				0		0		0		1		1,891		
FCIC	2			4				0		25		215		72		1		
FSSES	1			0				0		50		3,646		0		3,696		
FNS	1			5				0		0		301		0		306		
FS	3			20				130		0		800		0		1,073		
P&SA	1			13				0		0		2		0		15		
REA	1			0				0		0		0		0		185		
SCS	2			0				0		50		3,093		0		3,166		
SRS	1			0				0		44		0		0		44		
<b>Totals</b>				180				317		509		18,751		757		791		21,305



# GRANT, LOAN AND AGREEMENT PROCESSES SIMPLIFIED



## Existing Situation

The Department of Agriculture utilizes grants, loans, cooperative agreements, and technical assistance in the delivery of its program services. The objective of this project was to streamline and simplify procedures and processes for delivery of these services.

## Accomplishments

A department-wide analysis of assistance programs resulted in:

Number reviewed.....	67
Improvement of procedures in .....	25
Reduction in processing time in .....	12
Time-saving delegation of payment authority in....	10
Additional improvements programmed in .....	12



These are some noteworthy improvements:

When natural disaster disrupts conservation measures, and a county is designated a disaster area, farmers may ask the Emergency Conservation Program for cost-share payments. Some 10,000 payments were made in 208 counties in 30 states in 1969. Ninety percent of these were for less than \$2,500. By elimination of five review and approval steps, net processing time was reduced from 42 days to 14 days. The funds the farmer needed were put to work in one-third the time. Eight percent of the payments were between \$2,500 and \$10,000. Elimination of three steps cut processing time in half -- from 42 to 21 days. Delegation of payment approval authority to state offices for payments of \$2,500 to \$10,000 resulted in fast approval in the field for 98 percent of all requests.

Only one attorney in each county has heretofore been designated to clear title loans. This contributed in part to backlogs for assistance under the Farm Ownership Loan Program and the Soil and Water Individual Loan Program. Processing time was lengthy. A procedural change now requires a minimum of two, and in some counties four, designated attorneys. Two reviews of applications under these two programs -- one for eligibility and the other for amount -- are being considered for consolidation into a single review by the same committee of three local farmers. Delegation of loan approval authority from the Washington level to the district and county supervisors is under consideration.

Delegation to state directors in the Rural Rental Housing Loan Program of loan approval authority up to \$200,000 eliminated need for a review at the national level and cut processing time by more than 25 percent. This type of loan is made to individuals or groups to build rental units for low income occupancy.

Increasing loan approval authority at the county supervisor level and elimination of review at the next higher -- district -- level, saved 14 days -- 40 percent -- of the processing time in the Rural Housing-Individual Loan Program. A single application form in place of three -- financial statement, purpose of the loan, and plan for repayment -- has been submitted to the Bureau of the Budget for approval. If approved, it will benefit both applicant and loan appraiser.

Forestry research grants are being approved 16 days earlier by elimination of two reviews and approvals at the national level. Authority to award grants has been delegated to the directors of 10 regional research stations.

The Rural Electrification Administration has streamlined its loan document. Its centralized review process has been simplified and time requirements reduced. Required engineering support has been revised to make it more flexible and adaptable to individual situations.



# ADMINISTRATIVE AND LEGAL CONSTRAINTS REMOVED



## Existing Situation

As federal programs mature, there are constraints placed on program administrators in terms of controls, regulations, clearances, reports, and the like which inhibit program processes. These constraints are likened to administrative underbrush which must be periodically cleared out in order for work to proceed smoothly. Accordingly, this project was undertaken to examine the administrative processes of every program of the Department, identify administrative constraints, and take action to remove those considered unnecessary.

## Accomplishments

Headquarters and field managers were asked to report those requirements imposed on them which, if removed, would enable their job to be done better and faster and improve service to the public. Some 86 such constraints were reported to Department and agency headquarters.



The following chart shows the status of action:

<u>Constraints Imposed by:</u>	<u>Number Reported</u>	<u>Number Removed</u>	<u>Number Continued</u>	<u>Number Under Consideration</u>
1. Dept. Regulation	48	21	27	--
2. Agency Regulation	28	18	2	8
3. Other Federal Agency	6	--	--	6
4. Law	4	--	--	4
<b>TOTALS</b>	<b>86</b>	<b>39</b>	<b>29</b>	<b>18</b>

Constraints imposed by Department and agency regulations would individually not be of serious consequence but in total represent a host of irritating restrictions on the authority of field managers. Their sheer number appearing as they do in every administrative functional area results in a reluctance on the part of field managers to act fearing that some rule may be violated. Reducing the number to a comprehensible set of reasonable controls is a valuable contribution to streamlining program processes. A total of 39 of 76 reported constraints were removed by Department and agency action with eight still under consideration. These are some actions taken:

The Department has raised its maximum limit for acquisition of properties requiring headquarters approval. Dollar limitations on field contracting authorities have been raised allowing agencies to re-evaluate their standards and delegate this authority to the lowest possible level.

Responsibility for the staffing of certain state offices, and authority to assign, transfer and promote to all positions in accordance with established qualification standards has been delegated. This action will remove these controls and processes to the state offices.

Delegations of authority to issue certain regulations and subpoenas have been made from the Secretary to agency administrators in selected areas where this action will remove administrative red tape and facilitate the work of the agency and its regional directors.



Reports of information no longer serving a useful purpose have been cancelled. In those instances where information is still necessary, reporting requirements have been reviewed and reformed to center only on the essential and to simplify the process.

Some constraints are imposed by other departments of government. Each serves a need of that department but in many cases, is imposed without due consideration of its impact on the ability of the field program manager to operate effectively. Six such reports of constraints were referred to other departments for consideration.

With the sheer volume of laws and regulations with which a program manager must be familiar, it is to be expected that some of these will be misunderstood. A review such as this is worthwhile if these misunderstandings are brought to light and cleared up. For example, the Department of Labor, Bureau of Employee Compensation general instructions require that the Bureau be contacted prior to authorizing medical care for other than injury by accident. One agency annually has about 1,000 cases requiring treatment for poison oak and bee stings. Are these accidental injury cases? The agency thought not. This meant 1,000 telephone calls to the Bureau to receive authority to provide medical treatment. The report of this constraint caused the Department to ask why. The Bureau of Employee Compensation advises that these should be handled as accidental injury cases. In another case, the agency reported that they could not transfer personal property between eligible grantees even though this would be the practical thing to do. A legal opinion was obtained which showed the agency interpretation to be in error and enabling the desired transfers of property to be accomplished.

Certain of the legal constraints are of the type which met a specific need at the time of enactment of the law. However, in the light of current requirements and changing times, these legal constraints may need modification or may no longer be needed. Four of these are now under consideration.



# STATE PARTICIPATION IN USDA PROGRAMS EXPANDED



## Existing Situation

Most of the Agriculture programs are carried out in cooperation with states. The extent to which states participate has to a large degree been determined through negotiation. Expanded state participation requires a better understanding of objectives and development of decentralization criteria by which federal and state officials are to be guided. An examination of Agriculture programs indicated that the greatest potential for increasing state participation was in the inspection, grading, and regulatory programs. Accordingly, this project was undertaken with the objective of developing criteria by which these programs could be decentralized to a greater degree with emphasis on increasing state participation.



## Accomplishments

The Department of Agriculture has traditionally carried out its functions in cooperation with the states. Since the establishment of the Department in 1862, the states and the Department have cooperatively set up ways to handle regional and national problems that inevitably arise. A general policy has evolved of coordination and direction without domination by either federal or state authorities.

Now the Department, working with state and industry representation, has developed more definitive criteria for shifting the emphasis from federal to state operation of 19 inspection, grading, and regulatory programs.

An intensive review of the programs has involved an analysis with Agriculture program directors of current operations and their views on decentralization; consultation on the ground with officials in 12 states; and counseling with industry representatives. A proposal was submitted to the Agriculture agencies and to the National Association of State Department of Agriculture for their acceptance or suggestions. It was also reviewed with a secretariat advisory group. Revisions were made to accommodate the suggestions made and a final statement of criteria developed.

The criteria are included as Exhibit 4-A.

Use of the criteria has now been promulgated as the policy of this Department. The Secretary of Agriculture has directed that each agency shall select programs to test the criteria and move forward to decentralize these Agriculture programs. The second-year phase of this project is to accomplish actual expansion of state participation. The Department is now setting up priorities and an action timetable for this phase.



## UNITED STATES DEPARTMENT OF AGRICULTURE

FEDERAL - STATE COOPERATIVE PROGRAMS  
CRITERIA FOR DECENTRALIZATION

These criteria are intended to give meaning to the New Federalism program of this Administration in Agriculture programs. Application will occur within this management philosophy.

In those programs carried out through Federal-State cooperative action, States shall be given full opportunity to assume a greater share of program activities commensurate with their willingness to accept the responsibility and their ability to carry it out within the framework of the cooperative approach traditional with this Department. In so doing, decision-making will be brought closer to where delivery of services occurs making the decision-maker more visible and accessible. The expected result is that programs will become more responsive to needs and more readily improved. This will require a concurrent strengthening of the Federal support role in training, information, legal, scientific, and administrative assistance. With these understandings and expectations, decentralization shall occur when these criteria are met:

1. Program Objectives  
Federal and State objectives shall be the same or be compatible.
2. Program Accomplishments  
Accomplishments can be measured and quantified in terms of output expected and input required.
3. Program Evolution  
The evolutionary period of the program can be estimated and the present phase therein established.
4. Contingencies  
A system can be provided for handling contingencies such as emergencies and epidemics.
5. Legal Authority  
Legal authority exists or can be provided to undertake the program.
6. Program Standards  
Standards for the conduct of the program can be provided.
7. Management Information  
A system can be provided for keeping management informed so as to monitor the adequacy of program performance and enable adjustment as required.
8. Control and Surveillance  
A system of audit and appraisal can be provided adequate to safeguard both Federal and State interests.
9. Disputes  
Procedures can be developed to settle differences, including appeals procedures, for the program participants, the target groups, and the States.
10. Finance  
Funding arrangements are adequate to provide reasonable assurance that operating levels can be maintained over the planning period.
11. Personnel  
A system exists for providing qualified personnel and for training to maintain and develop competence.
12. Facilities  
Adequate facilities exist or have been provided for to carry on the program.
13. Constraints  
The nature of the program does not involve scarce specialized scientific requirements, international involvement, or high risks such as to preclude decentralization.
14. Accountability and Responsibility  
Accountability and responsibility can be fixed, preferably in the same agency or person.
15. Participative Management  
Arrangements exist for Public discussion and other participative measures involving Federal, State, and target groups.



# RESEARCH AGREEMENT WITH UNIVERSITIES STANDARDIZED



## Existing Situation

Some 52 different programs of the Department of Agriculture involve the execution of agreements with states and universities to carry out research programs. These may involve arrangements such as grants, contracts, and cooperative agreements. Some 6,000 of these arrangements are in effect. There are many variations in the administrative and fiscal requirements between programs. The objective of this project is to standardize these requirements.

## Accomplishments

Excluding formula grants, there are now more than 3,200 grants, contracts, agreements, and memorandums of understanding for research projects with universities, involving Department programs.

A study group seeking possible standardization of the fiscal and administrative requirements of these arrangements, found that fiscal requirements of some Agriculture program agreements resulted in the universities having to establish special accounting procedures. For example, the agency's form which the university used to submit its billing for services performed did not lend itself to use of computer-prepared invoices. Cost sharing arrangements were required for categories of cost that were not compatible with the universities' cost accounting system even though their system met accepted accounting standards. Administrative requirements varied as to accountability for property, reports to be submitted, records to be maintained, and the like. These requirements were often buried in "boilerplate" provisions and in some agreements would be found in the specifications of the project.



a. Standard Research Agreement with Universities

A long step toward eliminating the confusion of requirements has been taken with a single set of general provisions to be used Department-wide in all grants, contracts, and agreements with universities. These provisions have been developed in consultation with university representatives and program officials. These provisions have been published so that any grant, contract, or cooperative arrangement may now include these provisions by reference. This means that the agreement document will be more readily understood since it will deal principally with those matters having to do with how we agree to carry on the research work.

Regulations have been promulgated requiring that fiscal requirements of these agreements be compatible with the university's accounting processes. Further, it is now required that authority to execute these agreements be delegated to the lowest practicable level enabling the research director on the ground to enter into these agreements with standard fiscal and administrative requirements Department-wide.

b. Standard Agreements with States

Throughout the Department there are about 2,000 individual, cooperative arrangements of a formalized and continuing nature with numerous state agencies. The instruments used have various titles. Many are merely agreed upon operating guides. They have little apparent similarity to contractual arrangements.

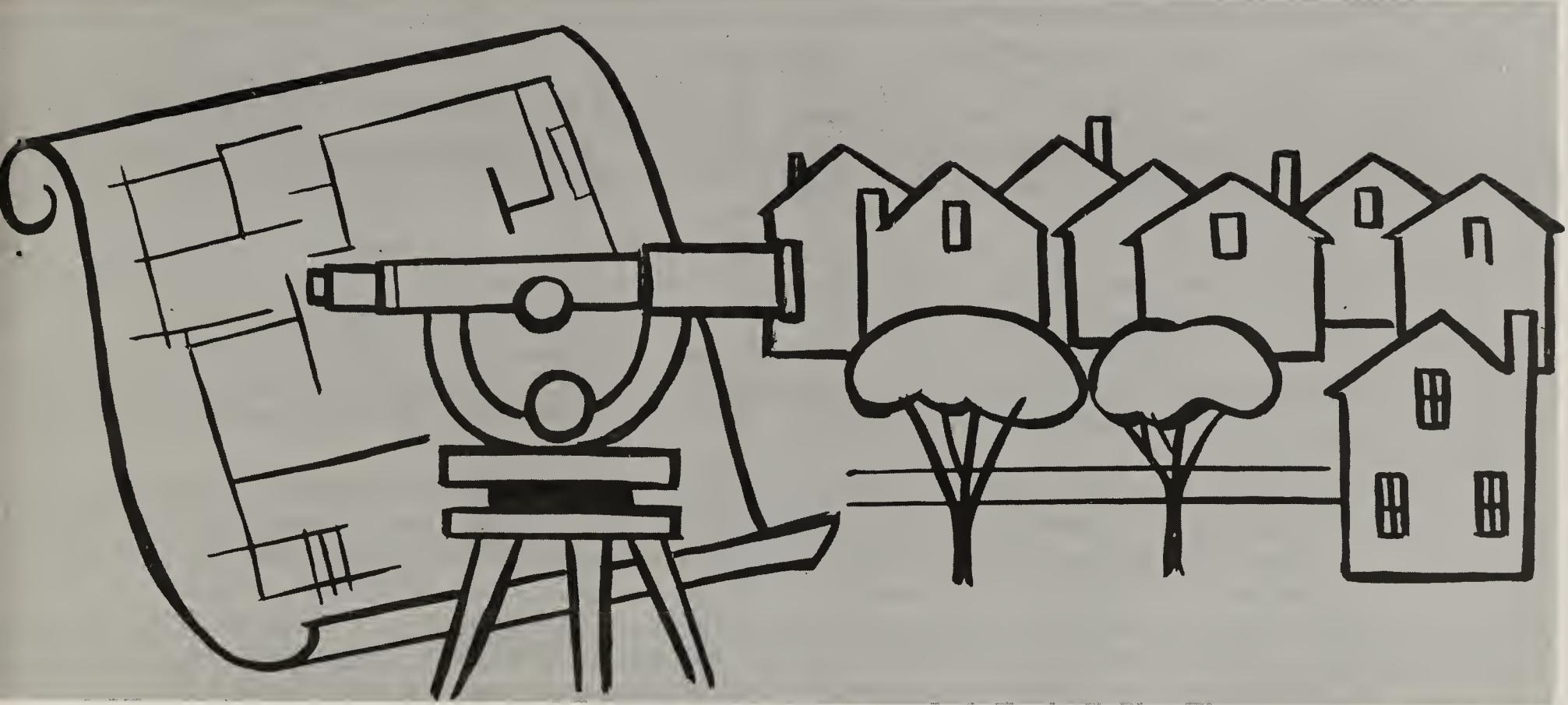
Because of the differences in substantive law for individual programs, the multiplicity of programs, and the diversity of state agencies, laws and regulations, it was concluded that standardization on one agreement form was not feasible. Work on standard administrative and fiscal requirements is continuing as a part of a Government-wide program under the leadership of the Bureau of the Budget.

c. Standard Audit Procedures--Consolidate Audit Processes

The review disclosed duplication among federal audit groups and between state and federal audits. The Department is committed to eliminating needless duplication and is involved in a Government-wide effort in this regard under the leadership of the General Accounting Office and the Bureau of the Budget. A study of the benefits derived from reviews made of certain grant programs by financial management staffs resulted in a finding that these largely duplicated those of scheduled audit groups. These reviews have been discontinued since their purposes are served by regular audit activities.



# DELEGATION OF AUTHORITY



## Existing Situation

Each Department agency reviewed its administrative processes with the objective of delegating authority to field offices and others wherever feasible.

## Accomplishments

Recognizing that state offices of the Soil Conservation Service had attained the required level of engineering competence, authority was delegated to them to approve engineering plans for watershed projects. Applicants gained two to three weeks in getting their projects started. The approximately 250 engineering plans submitted each year had previously gone to one of four SCS Technical Service Centers.



A new system placed in effect for the 1969 crop year by the Agricultural Stabilization and Conservation Service reduces marketing costs for the individual cotton producer, hastens redemption of loan cotton, permits cotton to move more freely into trade channels, and avoids federal acquisitions of unredeemed loan collateral. ASCS has accomplished this by allowing individual producers to give a power of attorney and sign a marketing agreement with an agent to market their cotton, obtain loans on the cotton, or pool the loan cotton with other producers for marketing. In the past, the individual producer had a choice of forfeiting his cotton in the federal loan program or, if he redeemed it for marketing, his handling costs were higher. As a result, such an individual often did not redeem the cotton, his return was smaller, the federal agency acquired more unredeemed loan collateral, and movement of cotton in marketing was restricted.

Rental housing units will become more promptly available to tenants and agencies will lose less rent monies by a new Farmers Home Administration action which permits private realtors to manage and lease rental housing units pending their liquidation or sale. In the past, this has been handled by agency officers who were unable to effectively manage rental property since the volume was too small for any one office to hire specialists in this field. The private realtors are able to provide prompt and professional service.

New employees of the Soil Conservation Service can more quickly become effective in serving farmers and landowners by receiving their orientation training at their state offices instead of at one of four training centers across the country. Professional and non-professional employees are now given orientation training within the first few weeks of their employment.

Farmers and landowners are kept better informed by appointment of public information specialists in Soil Conservation Service field offices at the state level. This function has been carried out at headquarters and at each of the four Technical Service Centers, which may now devote more time to developing and directing information programs.



# STRENGTHEN FEDERAL-STATE COOPERATION



## Existing Situation

Each Department agency examined its programs with the objective of decentralizing operations and to strengthen state involvement in program operations.

## Accomplishments

The Agricultural Research Service will increase the use of state laboratories and personnel in the Pesticides Regulation Program. The American Association of Pest Control Officials and the State Commissioners of Agriculture have endorsed a plan to do this. Pending is the consideration of the plan by the chief chemists of the several states. Assuming their endorsement, this project will be operational in 1970.



The Consumer and Marketing Service has been working with state authorities since mid-September 1969 to set up the "Wisconsin Plan" as a possible pilot plan for all 50 states to implement the Wholesome Meat and Wholesome Poultry Acts. These two laws provide that the Federal Government cooperate with states to bring their inspection programs up to the level or equivalent to the federal programs.

First phase of the three-phase "Wisconsin Plan" calls for the State Administrator and the Federal Director for the State to be located in the same office space with a single administrative support staff with a mix of federal and state employees. State and federal circuits -- groupings of meat and poultry processing plants under one supervisor -- would be realigned to share offices. In phase two, training and reciprocal licensing programs will be initiated with the Federal Government assisting in the training and certifying of state inspectors, and the state certifying federal inspectors. In phase three, state inspectors may conduct federal inspection of federal plants and federal inspectors may conduct state inspection in state plants.



# USING COMPUTER CAPABILITY



## Existing Situation

As the demands for marketing and economic information increase, the ability of the federal and state program operations to respond is adversely affected by the sheer volume of data that must be processed. The most dramatic potential for improving these program operations and to deliver services not heretofore available to the public lies with utilizing the full capabilities of the computer. Accordingly, there are a number of projects underway by Department agencies to adapt program operations to the computer.

## Accomplishments

The Soil Conservation Service has reduced processing time for watershed protection and flood control projects by 4 to 20 days in the program planning phase by the increased use of computers. Engineering, economic and hydrology data are programmed for computer application to shorten the preliminary investigation stage of these projects. Engineering field work has been reduced and as more data is developed from river basin studies the need for field examination may be eliminated.

The Federal Extension Service has developed a management information system, and in cooperation with the individual states, developed a State Extension Management Information System. These two systems through the use of computers benefit FES and the states extension services by providing data and reports to measure the total federal state accomplishment against plans or goals. This will enable adjustments in plans and workload and the setting of priorities.



The Statistical Reporting Service has completed plans for computing surveys at seven computer equipped centers at certain state offices, each serving about 8 states. When implemented, these computer centers will process data and provide information directly to headquarters, thus expediting completion of surveys. In addition, for surveys requiring more sophisticated computers, SRS is equipping state offices to transmit data directly to computer centers for transmission to national headquarters. This will eliminate delays and uncertainties of mailing data on punched cards and scheduling processing time on computers. These reports will be completed closer to the dates data was collected and will provide the public with more current information. Implementation will begin as funds are available.

The Farmers Home Administration is developing a procedure so certain borrowers may be authorized to send payments directly to the Central Finance Office, rather than paying FHA County Offices. Elimination of this step has become possible by acquiring computer capability at the Central Finance Office. Borrowers will benefit by having considerably more time available for them at the local County FHA offices by the reduction of time previously required to prepare receipts, maintain payment records and transmit collections. This project is to be tested by May 15, 1970, and implemented as soon as possible thereafter.

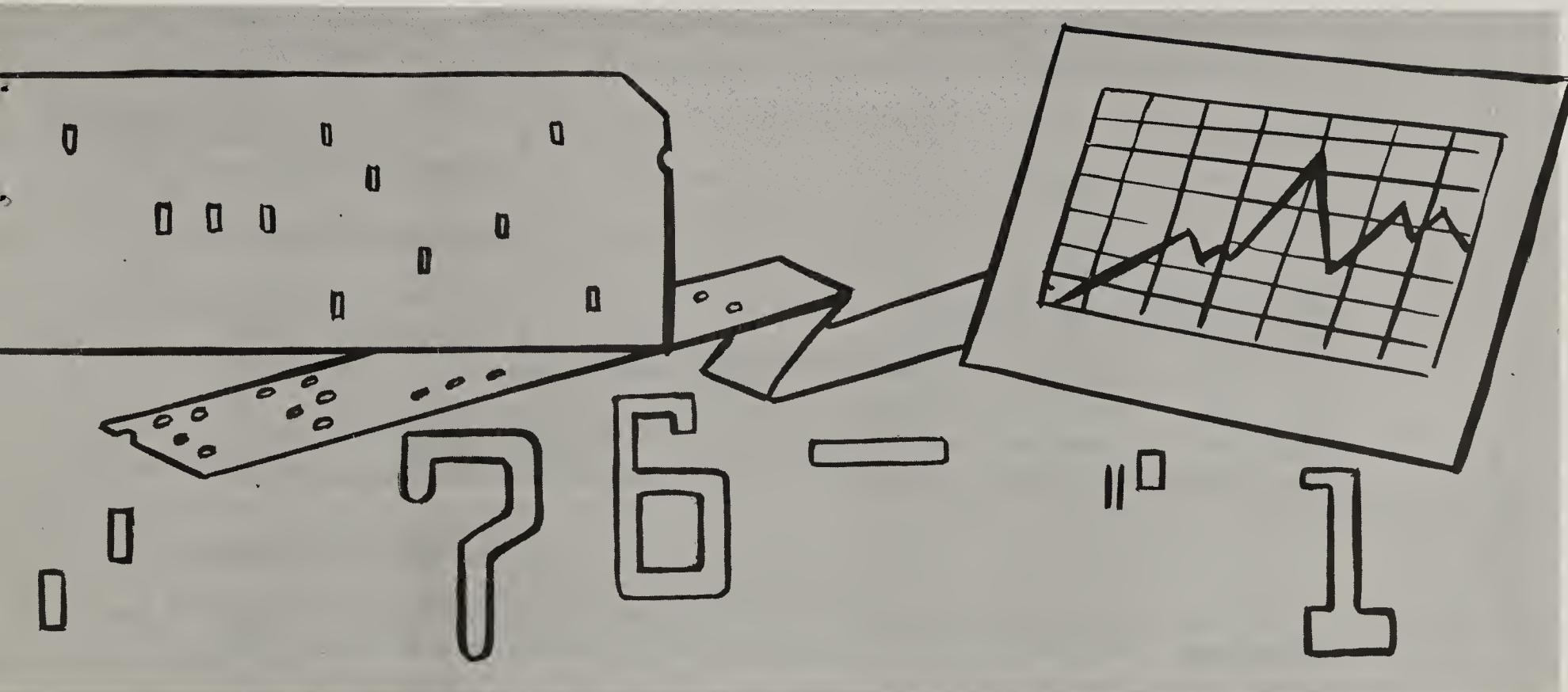
The Grain Division of Consumer and Marketing Service plan to improve grain inspection through the use of optical scanning and a computer system that will compile and compare inspection reports from licensed inspectors with those from federal supervisors. Inspectors that are below acceptable levels of performance will be supervised more closely and will be trained to overcome or reduce weaknesses. Complaints between buyers and sellers concerning grain grades can be reduced by improved inspections. This will provide reasonable assurance that grain, ultimately consumed by the public, is inspected by qualified inspectors.

The Forest Service is developing a management information system which will utilize computer systems to store and retrieve data by geographic location. This will allow the resource data concerning specific management units to be assembled to provide the basis for evaluating alternative management strategies. Pilot testing will begin in July 1971, with complete implementation accomplished by July 1974.

The Agricultural Stabilization and Conservation Service's 3,000 county offices and all state offices are now preparing monthly management reports on typewriters with scannable type font. The reports are sent to a data center where they are consolidated and summarized, and a print-out is produced of (1) state reports by counties, and (2) a nationwide summary report.



# ORGANIZATION AND METHODS



Two USDA agencies have made significant improvement in the organization or methods being used to deliver their program benefits and services.

a. Rural Electrification Administration (REA)

## Existing Situation

The financing requirements of REA borrowers have been growing rapidly. Future needs have been estimated as well beyond the level of annual appropriations to REA for both rural electric and rural telephone loans. Electric loan applications on hand as of December 31, 1969, totaled over \$407 million. Rural telephone applications totaled over \$394 million. Borrower surveys forecast 1971 requirements in both programs will exceed anticipated authorizations by nearly 50 percent.

## Accomplishments

REA has encouraged and assisted electric borrowers to establish their own rural electric financing program. As a result, the National Rural Utilities Cooperative Finance Corporation (CFC) has been incorporated by REA electric borrowers to provide the necessary supplemental source.



Supplemental means of financing the Rural Telephone Loan Program are also being explored. When these supplemental financing sources have been established, they will enable cooperatives and other groups to finance expansion and improvement of their capabilities to meet their growing demands, which are beyond the annual loan levels now being provided by loan authorizations of the Federal government.

b. Forest Service

Existing Situation

The Forest Service is making a study to determine the best possible size of National Forest System field organization units. Many of these units were established when the Forest Service was created in 1905. Some were established to meet needs of the times. Now, with modern communications and transportation systems, a field unit can administer a larger territory than was possible in earlier years.

Accomplishments

The study of one organizational structure - the ranger district - has brought about reduction of districts from 822 to 722 more efficient and better staffed units. A similar study of national forest supervisor units has been completed but not yet reviewed. Review will be completed in April 1970, and a new policy on the size of national forest supervisor units developed by July 1, 1970. The final study will be of the largest organizational unit, national forest regions. It will begin by July 1, 1971.

The end result of these studies will be to combine organization units and make them more efficient and economical in serving the public.





